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STAT

If Saudi exports are only two million barrels a day currently, their monthly production rate should be generating about 1.75 billion dollars. After foreign expenditures and allowing for earnings on financial assets abroad, this implies a net capital outflow of 3-3.5 billion dollars a month currently. This magnitude of drawdown of financial assets should be showing up in the financial markets, but how much evidence is there of this and where are they drawing down?

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COAL/PETROLEUM

Saudi Arabian Oil Output Drops To 2 Million Barrels Per Day

United Press International

Saudi Arabia has let its oil output drop as low as 2 million barrels a day, the MidEast Report said late last week.

Saudi Arabia's oil production averaged more than 10 million barrels a day in early 1981 and helped spawn the global oil surplus that has dragged down prices and forced many producing nations to throttle back output.

Sources in Saudi Arabia told the newsletter that the kingdom, which has acknowledged that its production was under 4 million barrels a day, is pumping as little as 2 million barrels daily. The publication specializes in Middle East affairs.

In mid-March Saudi Arabia agreed to act as OPEC's "swing producer," adjusting its production upward or downward to enforce the cartel's decision to lower its base oil price by \$5 to \$29 a barrel.

The reported slump in Saudi production to the 2 million barrel-a-day level came on the heels of recent remarks by Saudi Crown Prince Abdullah that his oil-rich kingdom "would be able to live with as little as

1 million barrels a day of crude output."

Prince Abdullah, the second highest-ranking official in Saudi Arabia after King Fahd, also warned that his country would win any price war that erupted.

The newsletter reported the Arabian American Oil Co., which produces about 97 percent of Saudi oil, is planning to lay off between 1,000 and 2,000 employees now working in the kingdom.

Aramco, which has a workforce of about 60,000 people, will terminate mostly American employees and replace them with Saudi nationals, the publication said.

Exxon Corp., Texaco Inc., Mobil Corp. and Standard Oil Co. of California are the four U.S. partners in Aramco.